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Contact: Oversight and Government Reform Press Office, (202) 225-5051

Chairman Towns Wants Transportation Department to Address Recovery Act Vulnerabilities

Inspector General's report highlights oversight vulnerabilities which jeopardize taxpayer dollars

Washington, DC – In a letter to Department of Transportation (DOT) Secretary Ray LaHood last week, Chairman Edolphus “Ed” Towns (D-NY) urged The Department of Transportation (DOT) to address concerns raised recently by DOT’s Office of Inspector General (OIG) regarding the Department’s ability to oversee and manage stimulus funds. The concerns were raised in the OIG’s report, released on December 1, 2009, entitled, “Department of Transportation’s Implementation of the American Recovery and Reinvestment Act (Recovery Act): Continued Management Attention is Needed to Address Oversight Vulnerabilities.”

The OIG’s report identifies a number of “oversight vulnerabilities” in the Department’s Recovery Act funded activities, and its ability to meet new requirements set forth by the Office of Management and Budget (OMB).

“The Transportation Department must begin to address the issues raised by the Inspector General’s report that directly impact the success of Recovery Act transportation projects,” said Chairman Towns. “I am particularly concerned because similar problems were raised in previous Inspector General reports, yet little progress has been made to address these vulnerabilities and ultimately jeopardizes taxpayer dollars.”

The OIG identified two types of vulnerabilities—those that require immediate action either to mitigate a documented risk or to complete an identified task, and those that, because of their complexity, size, or scope, require a sustained focus, whether or not deficiencies may be evident now.

To ensure timely action on this matter, Chairman Towns requested that the Transportation Secretary provide the committee with an action plan to address the OIG’s concerns by December 15, 2009, followed by a briefing to the committee about the action plan.

“The weaknesses identified in OIG’s latest report are not unsolvable – but they require urgent attention,” added Chairman Towns. “I am pleased that the Department agreed with the Inspector General’s recommendations and pledged to develop a plan to begin resolving many of these vulnerabilities.”

Earlier this year, Chairman Towns met with Transportation Secretary Ray LaHood to discuss the lack of stimulus projects awarded to economically distressed areas (EDAs), and to request that project funding for EDAs be appropriately prioritized and awarded throughout the nation. In October 2009, the Federal Highway Administration (FHWA) issued new guidance that fulfills the purpose of the Recovery Act by preserving and creating jobs, as well as promoting economic recovery in communities most impacted by the recession.

Chairman Towns announced plans to conduct vigorous oversight of the Recovery Act earlier this year. During the year, he has held several hearings to examine the implementation of the Recovery Act, introduced legislation to help state auditors meet the Recovery Act's accountability standards and, in addition to working with Secretary LaHood, he has worked with Vice President Joe Biden to improve the programs main transparency tool, Recovery.gov.

The full text of the letter from Chairman Towns is below.

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The Honorable Raymond LaHood
Secretary
U.S. Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590

December 1, 2009

Dear Secretary LaHood,

I am writing to express my concern about the Office of Inspector General's (OIG's) report released on December 1, 2009, entitled, "Department of Transportation's (DOT) Implementation of the American Recovery and Reinvestment Act (Recovery Act): Continued Management Attention is Needed to Address Oversight Vulnerabilities." The report identifies a number of "oversight vulnerabilities" in the Department's Recovery Act funded activities, and its ability to

meet new requirements set forth by the Office of Management and Budget (OMB).

While I am pleased that the Department has concurred with OIG's recent recommendations and pledged to develop a plan to resolve many of its weaknesses, I am concerned that DOT made comparable assurances in response to prior OIG reports concerning the Recovery Act and apparently has failed to resolve those issues. Specifically, similar risks were identified in two previously released OIG reports. [\[1\]](#) For example, nine months ago OIG concluded that actions should be taken to correct ongoing inadequacies with contract selection and management, Recovery Act tracking and reporting requirements, and department-wide suspension and debarment. However, nine months later these same vulnerabilities remain, jeopardizing taxpayer dollars.

The weaknesses identified in OIG's latest report are not unsolvable – but they require urgent attention. I formally request that you provide the Oversight Committee with a plan to address each concern raised in OIG's report no later than 5 p.m. Tuesday, December 15, 2009. I also request that following submission of your action plan, that DOT provide a briefing to the Committee on this matter.

Sincerely,

Edolphus Towns

Chairman

[\[1\]](#) Department of Transportation Office of the Inspector General, "Status of Operating Administrations' Processes to Conduct Limited Quality Reviews of Recovery Act Recipient

Data,” October 6, 2009; and, Department of Transportation Office of the Inspector General, “American Recovery and Reinvestment Act of 2009: Oversight Challenges Facing the Department of Transportation,” Report Number: March 31, 2009.